

A Report to the 46th District



Representative **Phyllis Gutierrez Kenney**

Fall 2003

Rep. Phyllis Gutierrez Kenney

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Appropriations
Commerce and Labor
Joint Legislative Economic
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Dear Neighbors,

The 2003 Legislative Session was one of the toughest in decades. A huge budget shortfall, exasperating traffic gridlock, and spiraling health care costs presented us with tremendous challenges. Perhaps the greatest challenge we faced, given our tight budget constraints, was to continue our work on improving state government to better serve the public.

This year, despite a downpour of difficulties, we accomplished many things, including passing the first new transportation plan in 13 years. Some of our other achievements for the 2003 session include:

- o Approving a package of bills to keep Boeing jobs in our state.
- o Passing a prescription drug reform bill that will help our community's senior citizens.
- o Approving measures to reduce dangerous mercury in the environment.

House Democrats fought hard for a spending plan that maintained our commitments to schools, human services, and health care, and we succeeded in many respects. We preserved spaces in the Basic Health Plan and retained health care coverage for low-income children and prenatal care services for pregnant mothers.

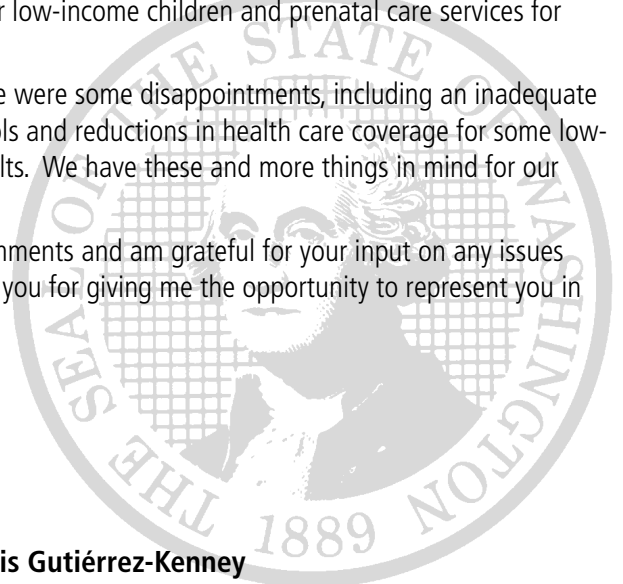
Unfortunately, there were some disappointments, including an inadequate investment in our schools and reductions in health care coverage for some low- and middle-income adults. We have these and more things in mind for our 2004 session.

I welcome your comments and am grateful for your input on any issues facing our state. Thank you for giving me the opportunity to represent you in Olympia.

Sincerely,

A handwritten signature in cursive script that reads "Phyllis".

Representative Phyllis Gutierrez-Kenney



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A LEAN STATE BUDGET

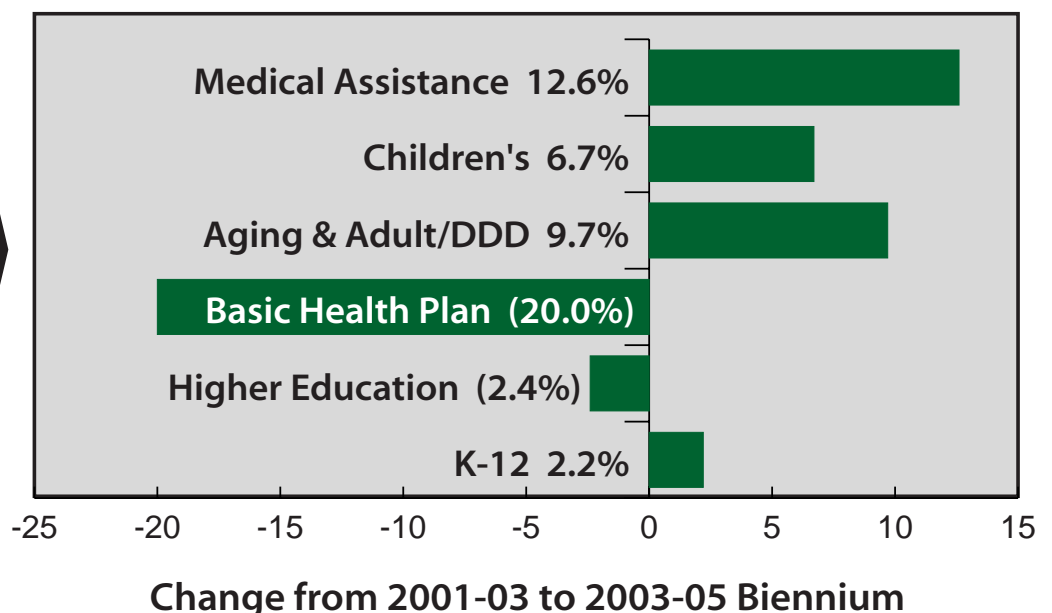
The deficit scenario is not exclusive to Washington. Across the nation, many states are facing similar situations. Resulting from a weak economy, drop in revenues, reduced state taxes, and soaring health care costs, we faced a gaping hole of more than \$2.6 billion between expected revenues and estimated expenditures.

To stay above water we had to craft a lean two-year budget. We faced many difficulties and challenges, and the resulting budget for the 2003-05 biennium is 2.1% more in General-Fund State compared to the 2001-03 biennium. The operating budget will definitely

preserve core responsibilities, but it will also make cuts that will be felt by many:

- o Expenditures mandated by voter-approved initiatives will be reduced or frozen.
- o Low-income families will contribute more to their children's health care. The Basic Health Plan will fund 25,000 fewer enrollees.
- o Students at universities and community colleges will pay higher tuition.
- o Employees, teachers, and faculty will receive no cost-of-living increase and will pay significantly more of their health benefit costs.

PROGRAM GROWTH RATES



TRANSPORTATION: *On the move*

Our state has had traffic and transportation issues for years now, which have slowly but surely contributed to our stalled economy, endangered motorists and pedestrians, and hurt our quality of life. Something had to be done and we finally drew the line!

For the first time in 13 years, we passed an investment transportation package of \$4.2 billion over a 10-year span. The plan includes accountability reforms to ensure transportation projects are carried out as efficiently and effectively as possible.



The transportation plan we passed takes into account a number of critical safety and mobility investments that will benefit all of us here in Seattle, such as:

- o \$100 million in transit service for seniors and people with disabilities.
- o \$183 million for passenger rail service across the state.
- o \$30 million for vanpool programs.
- o \$15 million to provide all-day HOV lanes on I-90 between I-5 and Mercer Island.
- o \$177 million for environmental impact and design of a renovated Alaskan Way Viaduct.
- o \$147 million to rehabilitate I-5 in central Puget Sound.

Funding for the package comes mainly from a nickel increase in the gas tax, a 15 percent increase in truck weight fees, and a 0.3 percent sales tax on vehicles.

KEEPING BOEING AT HOME

Boeing executives stated their requirements to remain competitive in Washington and build their new plane here. They say that Boeing needs a dependable transportation system, access to deep water, a reliable education system, and a competitive tax structure. We all know how critical Boeing is to our local economy, so we did our best this session to ensure that the company builds its new super plane, the 7E7 *Dreamliner*, right here at home.

Boeing said it would announce its decision by the end of the year. This new plane would generate as much as \$540 million in added state revenue each year and between 73,000 and 151,000 family-wage jobs in Washington over the next two decades.



EDUCATION

K-12 Public Schools

Next year beginning teachers will receive a minimum \$30,000 salary. Polls show voters overwhelmingly support higher pay for public school teachers. The funding mandated by Initiative 728 to reduce class size and extend learning opportunities will increase from \$212 to \$254 per pupil—but far less than the goal of \$450. Special programs such as Math Corps, and the Pacific Science Center's science van were preserved.

Higher Education

Needed worker retraining programs are continued and some increase will be provided in high demand degrees, such as nursing and other health related professions, science and engineering, and viticulture programs in Eastern Washington to bolster our successful wine-making industry.



Four hundred additional junior- and senior-year slots are added to relieve the current "choke point" for students transferring from community colleges to four-year institutions.

Higher education is tied very closely to economic development in our state, and it also provides economic stability to many families who would otherwise be unable to succeed. We must seek to have a better funding source for higher education. I will continue to work for you to maintain the best education system possible.

As Chair of the Higher Education Committee, I was very disappointed that core funding for universities and community colleges was cut again this year. Undergraduate resident tuition increases will be capped at a maximum of 7 percent this year and 7 percent next year. No general enrollment increases were provided to meet our growing number of high school graduates.

Economic Competitiveness Report Card

The Technology Alliance published a Report Card on Washington's status and potential to attract and retain future high tech and biotech development. They gave us a "D" in funding for higher education and a "C+" for research capacity – with the caveat that Washington ranks 46th of 50 in state research funding, and is living off a legacy of investments from past decades. We took two small steps to improve that ranking:

- ✓ \$250,000 was allocated to Industries of the Future, a bioinformatics research effort combining biology and the computing power of today's technology.
- ✓ The budget also provided \$2.5 million to the University of Washington for match for the \$900 million in federal and other grants the UW receives each year.

Education – cont'd.

Former Governors Look Ahead

Governor Evans and Governor Gardner made an impressive team, convincing the Legislature to commit to capital investments for the present and future needs of education.

Thanks to their initiative, we approved \$750 million in bonds over the next several years for new and upgraded facilities. Our community colleges, especially, need classroom space. Our four-year institutions face aging buildings and a growing need for lab and computer facilities to meet the demand for science, math and engineering. Future students and the state as a whole will thank the two governors for their vision and their leadership.

PRESCRIPTION DRUGS: *Lowering costs at last!*

This year I am happy to let you know that we finally achieved an important victory. We passed a new prescription drug bill that will enable hundreds of thousands of our citizens — especially our seniors — to obtain more affordable prescription drugs.



Our plan allows for bulk buying of drugs to save money, adopts a preferred drug list based on the best medical evidence available, and will save seniors and our state government millions of dollars every year without compromising the quality of our health care.

For more information on the new law, please visit the prescription drug reform website at www.rx.wa.gov.

HOME CARE WORKERS

Voters approved Initiative 775, allowing low-paid home care workers to unionize. The initiative covered about 26,000 workers who are employed by a person requiring care and paid through the state Medicaid program — about half of whom care for a family member. The collective-bargaining agreement called for benefit increases totaling \$98 million. Unfortunately, in this tough budget year, the

Legislature approved funding of \$31.5 million, which will provide for a 75-cent-and-hour increase in the hourly wage — from \$7.68 to \$8.43. This issue must be revisited in the next session.

SAFER ENVIRONMENT

We passed an important environmental legislation this year: the new state mercury law, which reduces mercury pollution at the source by:



- o Banning certain mercury products where safe and cost-effective alternatives are available (such as novelties, thermometers, vehicle switches and thermostats).
- o Ending school uses of mercury.
- o Launching a public education campaign — and requiring product labels — to encourage safe disposal of mercury.